CITY OF PORT MOODY

ELECTED AND APPOINTED OFFICIALS

1986 COUNCIL

Mayor	D.T. Driscoll
Aldermen	
J.R. Francis	R.W. Smith
D.A.F. Goudzwaard	J. Burnside
A.C. Hulbert	A.W. Wilkinson

1985 COUNCIL

Mayor	D.T. Driscoll
Aldermen	
J.R. Francis	J. Van Der Land
D.A.F. Goudzwaard	R.W. Smith
A.C. Hulbert	A.W. Wilkinson

CITY OFFICIALS

Administrator	L.T. Harrington, F.C.A.
Treasurer	F.B. Hoover
Director of Engineering Services	P.E. Allan A.Sc.T.
Clerk	P.D. Goodwin
Police Chief	L.A. McCabe
Fire Chief	D.C. Shefley
Parks and Recreation Director	R.E. Reichelt
Librarian	B.W. Pulham

SCHOOL TRUSTEES

School District No. 43 (Coquitlam)

J.A. Ferguson	Dr. B. Copping

CITY AUDITORS

Thorne Riddell, New Westminster, B.C.

BANKER

The Royal Bank of Canada, Port Moody, B.C.

CITY OF PORT MOODY

INDEX

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Treasurer's Report

Auditors' Report

Exhibits

A	General Revenue Fund - Balance Sheet
B	Statement of General Revenue and Expenditure
C	General Capital and Loan Fund - Balance Sheet
D	Sanitary Sewer System - Capital Fund Balance Sheet
E	Sanitary Sewer System - Revenue Fund Balance Sheet
F	Sanitary Sewer System Statement of Revenue and Expenditure
G	Water Distribution System - Capital Fund Balance Sheet
H	Water Distribution System - Revenue Fund Balance Sheet
I	Water Distribution System Statement of Revenue and Expenditure
J	Land Reserves - Balance Sheet
K	Land Reserves
L	Trust and Reserve Funds - Balance Sheet

Notes to Financial Statements

Schedules

1	Other Revenue From Own Sources
2	Transfers From Other Governments and Own Reserves and Collections for Other Governments
3	General Government Services
4	Protective Services
5	Transportation Services - Public Works
6	Environmental Health Services
7	Recreation and Cultural Services
8	Fiscal Services
9	General Fixed Assets
10	Statement of Debenture Debt
11	Contributions to General Capital and Loan Fund

CITY OF PORT MOODY

CITY HALL

2425 ST. JOHNS STREET, PORT MOODY, B.C.

MAILING ADDRESS:

P.O. BOX 36
PORT MOODY, B.C. V3H 3E1

TELEPHONE (604) 936-7211

March 18, 1986

The Mayor and Aldermen,
The City of Port Moody,
Port Moody, B.C.

Gentlemen:

In accordance with Section 397 of the Municipal Act, I herewith submit the financial statement of the City of Port Moody for the year ended December 31, 1985, showing balance sheets, operating statements and supporting schedules.

Your attention is respectfully directed to the following observations:

Comparative Highlights

GENERAL, WATERWORKS AND SEWER FUNDS

	1985	1984
Gross Revenue	16,202,504	17,724,644
Gross Expenditure	15,612,463	17,395,053
	590,041	329,591

ACCUMULATED SURPLUS

	December 31 1985	Net Changes	December 31 1984
General Revenue	718,515	165,229	553,286
Waterworks Revenue	149,988	80,521	69,467
Sewer Revenue	264,172	121,595	142,577
	1,132,675	367,345	765,330

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TAX COLLECTIONS

	1985	1984
Total Tax Levy (including School Regional, Frontage & Local Improvement)	11,172,767	12,503,789
Percentage Collected		
Current	96.87	95.71
Arrears	67.29	77.28
Delinquent	100.00	99.84

TAX SALE

On September 30, 1985 at 10:00A.M., in accordance with Section 457 of the Municipal Act a Tax Sale was held for Twenty properties, all of which were purchased by the City of Port Moody. Two of the twenty properties have been redeemed.

INVESTMENT INCOME

The investment of excess monies in short term deposits and securities produced a total income as follows:

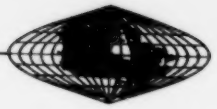
General Revenue	$331,493
Sewer Revenue	16,875
Sewer Capital	2,711
Water Revenue	5,392
Land Sales Reserves	160,815
Local Improvement	40,988
Equipment Replacement Reserve	41,704
Development Cost Charges Reserve	2,284
General Reserve	40,475
Trust Reserve	2,374
Tax Sale Lands	4,893
	$650,004

Respectfully submitted,

F.B. Hoover,
City Treasurer

FBH/ms

THORNE
RIDDELL
Chartered Accountants



AUDITORS' REPORT

The Mayor and Aldermen,
The City of Port Moody

We have examined the balance sheets of the City of Port Moody as at December 31, 1985 and the statements of revenue and expenditure and reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the City as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

New Westminster, Canada
March 12, 1986

Chartered Accountants

CITY OF PORT MOODY

GENERAL REVENUE FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
CASH AND TERM DEPOSITS	$1,761,621	$1,480,066
ACCOUNTS RECEIVABLE		
Taxes	576,640	677,435
Due from Federal Government	-	24
Due from Provincial Government		
Home owner grants	15,700	28,107
Other	50,206	163,649
Due from other local governments	28,534	5,212
Due from Water Distribution System Revenue Fund	37,265	55,755
Due from Capital and Loan Fund	370,238	185,049
Due from Sanitary Sewer Revenue Fund	25,314	5,668
Due from Deposit Trust	200	-
Due from Equipment Replacement Reserve Fund	35,232	-
Trade accounts	121,102	120,918
	1,260,431	1,241,817
OTHER ASSETS		
Inventories	52,170	50,196
Tax sale lands deeded to City at nominal value	1	1
Tax sale lands subject to redemption	44,997	136,164
	97,168	186,361
MUNICIPAL FINANCE AUTHORITY - debt reserve	258,373	168,767
	$3,377,593	$3,077,011

Treasurer

LIABILITIES

	1985	1984
ACCOUNTS PAYABLE		
Due to Provincial and Local Governments	$ 85,164	$ 160,513
Due to Federal Government	49,783	136,645
Due to Land Sales Reserve	25,000	-
Trade accounts	925,417	614,017
Municipal finance authority		
Debenture levied in advance	77,468	58,562
Demand notes payable	180,905	110,205
	1,343,737	1,079,942
NON-STATUTORY RESERVES		
Reserve for severance pay	113,656	107,425
Reserve for working funds	132,447	89,732
Reserve for future expenditures	828,025	1,043,128
Reserve for vehicle insurance	82,397	63,089
Deferred revenue	26,979	38,592
Reserve for slide relief	21,923	20,351
Reserve for sanitation utility	109,914	81,466
	1,315,341	1,443,783
REVENUE SURPLUS		
Balance at beginning of year	553,286	474,637
Appropriation of revenue	222,696	218,677
	330,590	255,960
Revenue fund surplus for the year - Exhibit 'B'	387,925	297,326
Balance at end of year	718,515	553,286
	$3,377,593	$3,077,011

Contingent liability (note 2)

CITY OF PORT MOODY

STATEMENT OF GENERAL REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

REVENUE

	1985	1984
TAXES		
Real property	$ 5,441,367	$ 5,342,789
Special assessments		
Sewer frontage tax	-	228,566
Water frontage tax	-	92,834
Local improvement levy	11,809	12,556
Utility assessments	16,528	15,878
	28,337	349,834
GRANTS IN LIEU OF TAXES		
Federal Government - post office	5,103	5,995
Port Vancouver	35,972	242,875
Provincial Government agencies		
B.C. Hydro and Power Authority	96,389	94,769
	137,464	343,639
SALE OF SERVICES		
Environmental health services		
Garbage collection	399,234	385,933
Recreation and cultural services		
Programes - summer and winter	109,409	120,404
Swimming pools	25,404	17,834
Sports centre and curling rink	153,454	137,470
Concessions	60,497	48,250
Library fines and dues	5,375	5,065
Park rentals	1,690	420
	355,829	329,443
OTHER REVENUE FROM OWN SOURCES - Schedule 1	902,641	963,413
TRANSFERS FROM OTHER GOVERNMENTS - Schedule 2	634,369	656,230
TRANSFERS FROM OWN SOURCES - Schedule 2	959,980	1,053,422
COLLECTIONS FOR OTHER GOVERNMENTS - Schedule 2	5,719,591	6,827,133
	$14,578,812	$16,251,836

Exhibit 'B'

EXPENDITURE

	1985	1984
GENERAL GOVERNMENT SERVICES - Schedule 3	$ 1,122,390	$ 1,063,026
PROTECTIVE SERVICES - Schedule 4	2,882,554	2,784,190
TRANSPORTATION SERVICES - PUBLIC WORKS - Schedule 5	1,037,984	981,467
ENVIRONMENTAL HEALTH SERVICES - Schedule 6	399,234	436,798
WELFARE SERVICES	942	195
ENVIRONMENTAL DEVELOPMENT SERVICES - planning	68,187	64,586
RECREATION AND CULTURAL SERVICES - Schedule 7	1,736,222	1,585,889
	7,247,513	6,916,151
FISCAL SERVICES - Schedule 8		
Debt charges	580,018	682,127
Transfers to own reserve accounts and utilities	628,899	1,513,432
Greater Vancouver Sewerage and Drainage District	14,866	15,667
	1,223,783	2,211,226
Transmission of taxes for other governments - Schedule 8	5,719,591	6,827,133
TOTAL EXPENDITURE	14,190,887	15,954,510
REVENUE FUND SURPLUS FOR THE YEAR - Exhibit 'A'	387,925	297,326
	$14,578,812	$16,251,836

Exhibit 'C'

CITY OF PORT MOODY

GENERAL CAPITAL AND LOAN FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
Term deposits	$ 407,399	$ -
General fixed assets - Schedule 9	18,699,484	17,250,365
	$19,106,883	$17,250,365

LIABILITIES

Debenture debt - Schedule 10 (note 3)	$ 2,718,176	$ 1,903,952
Due to General Revenue Fund	370,238	185,049

EQUITY

Balance at beginning of year	15,161,364	14,020,450
Debenture principal retirements	113,894	107,873
Short term capital debt retirements	36,300	100,300
Actuarial additions	21,882	19,147
Capital expenditures - Schedule 11	733,701	923,961
	16,067,141	15,171,731
Cost of financing by-law	24,384	-
Write off of costs of general fixed assets	24,288	10,367
	48,672	10,367
Balance at end of year	16,018,469	15,161,364
	$19,106,883	$17,250,365

Treasurer

Exhibit 'D'

CITY OF PORT MOODY

SANITARY SEWER SYSTEM

CAPITAL FUND BALANCE SHEET

YEAR ENDED DECEMBER 31, 1985

ASSETS

	1985	1984
Term deposits	$ 30,989	$ 26,265
Accrued interest receivable	-	2,013
Sewer lateral system	2,092,385	2,087,578
Sewer equipment	3,916	3,916
Sinking fund contributions to the Greater Vancouver Sewerage and Drainage District	391,424	354,572
	$2,518,714	$2,474,344

LIABILITIES

Debenture debt - Schedule 10	$ 593,485	$ 608,568

EQUITY

Balance at beginning of year	1,865,776	1,768,093
Debenture principal retirements	15,083	13,994
Sinking Fund Provision	36,853	34,341
Capital expenditures	4,806	3,969
Investment income	2,711	12,307
Revenue sharing grant	-	33,072
Balance at end of year	1,925,229	1,865,776
	$2,518,714	$2,474,344

Treasurer

Exhibit 'E'

CITY OF PORT MOODY

SANITARY SEWER SYSTEM

REVENUE FUND BALANCE SHEET

YEAR ENDED DECEMBER 31, 1985

ASSETS

	1985	1984
Cash and term deposits	$ 74,980	$108,987
Accounts receivable		
Sewer facilities grant receivable	134,121	-
User rates	63,865	19,179
Inventory	21,521	20,249
Municipal Finance Authority - debt reserve	18,125	17,262
	$312,612	$165,677

LIABILITIES

Accounts payable		
Prepaid user rates	$ -	$ 169
Municipal Finance Authority		
Debenture levied in advance	7,721	6,858
Demand notes payable	10,404	10,404
	18,125	17,431
Due to General Revenue Fund	25,314	5,668
Equipment Replacement Reserve	5,000	-

SURPLUS

Balance at beginning of year	142,578	121,778
Revenue surplus for the year - Exhibit 'F'	121,595	20,800
Balance at end of year	264,173	142,578
	$312,612	$165,677

Treasurer

Exhibit 'F'

CITY OF PORT MOODY

SANITARY SEWER SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Sale of services - private users	$670,741	$328,592
Connection fees and service charges	13,790	6,950
Investment income	16,875	21,973
Frontage tax levy	-	228,566
Sewerage facilities grant	144,936	142,601
	846,342	728,682
EXPENDITURE		
Administration, supervision and engineering	100,876	100,800
Conventions, dues and activities	24	228
Flushing and cleaning	38,090	45,524
Inspections, leases and easements	519	494
Maintenance		
Mains and services	13,437	4,909
Pumps and power	10,159	7,559
Debt charges - principal	15,083	13,994
- interest	33,007	31,997
Greater Vancouver Sewerage and Drainage District - levy	503,746	498,408
Capital expenditures	4,806	3,969
Equipment reserve	5,000	-
	724,747	707,882
REVENUE SURPLUS FOR THE YEAR - Exhibit 'E'	$121,595	$ 20,800

Exhibit 'G'

CITY OF PORT MOODY

WATER DISTRIBUTION SYSTEM

CAPITAL FUND BALANCE SHEET

YEAR ENDED DECEMBER 31, 1985

ASSETS

	1985	1984
Term deposits	$ -	$ 32,737
Work in progress - North Shore Trunk	-	1,420,509
	-	1,453,246
Distribution system	3,815,552	2,252,057
Equipment	17,585	16,135
	3,833,137	2,268,192
Less accumulated depreciation	998,083	902,630
	2,835,054	1,365,562
Buildings	37,727	37,727
	2,872,781	1,403,289
	$2,872,781	$2,856,535

LIABILITIES

Due to North Shore Development Reserve 286 Agreement	$ -	$ 526,635
Debenture debt - Schedule 10	580,587	600,241
	580,587	1,126,876

EQUITY

Balance at beginning of year	1,729,659	1,457,139
Capital expenditure	112,906	905,272
Investment income	-	32,737
Revenue sharing capital grant	525,428	-
Debenture debt retirement	14,666	18,718
Actuarial additions	4,988	-
	2,387,647	2,413,866
Depreciation charge	95,453	56,705
North road reservour financed by debt	-	627,502
Balance at end of year	2,292,194	1,729,659
	$2,872,781	$2,856,535

Treasurer

Exhibit 'H'

CITY OF PORT MOODY

WATER DISTRIBUTION SYSTEM

REVENUE FUND BALANCE SHEET

YEAR ENDED DECEMBER 31, 1985

ASSETS

	1985	1984
Cash and term deposits	$ 74,044	$ -
Accounts receivable		
Meter and flat rates	74,338	43,261
Accrued interest	-	519
Inventory	59,832	97,557
Municipal Finance Authority - debt reserve	52,877	50,882
	$261,091	$192,219

LIABILITIES

Reserve for future capital expenditures	$ 20,961	$ 15,961
Accounts payable		
Trade and prepaid water rates	-	153
Due to General Revenue Fund	37,265	55,755
Municipal Finance Authority		
- debenture levied in advance	17,649	15,654
- demand notes payable	35,228	35,229
	111,103	122,752

SURPLUS

Balance at beginning of year	69,467	89,014
Revenue fund surplus for the year - Exhibit 'I'	80,521	11,465
Appropriation of surplus	-	31,012
Balance at end of year	149,988	69,467
	$261,091	$192,219

_____ Treasurer

Exhibit 'I'

CITY OF PORT MOODY

WATER DISTRIBUTION SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Sale of services		
Meter rates	$446,525	$353,995
Flat rates	275,389	218,680
Water facilities grant	25,130	18,363
Connection fees	14,104	3,388
Frontage tax levy	-	92,834
Investment income	5,392	19,124
Appropriation from revenue surplus	-	31,012
Contribution from North Shore Port Moody Main No. 2	5,979	6,730
Sale of pipe	4,831	-
	777,350	744,126
EXPENDITURE		
Administration	51,600	51,600
Conventions, dues and activities	977	327
Engineering and supervision	75,600	75,600
Debt charges - principal	14,666	14,666
- interest	70,603	69,790
Maintenance		
Pumps and power	60,841	49,675
General	109,593	79,731
Meter reading	2,685	3,423
Water purchases	262,377	226,313
Greater Vancouver Water District debt levy - Port Moody Main No. 2	5,979	6,730
Fire hydrant maintenance	8,883	7,395
Transfer to reserve for future capital expenditures	5,000	5,000
Capital expenditures	28,025	142,411
	696,829	732,661
REVENUE FUND SURPLUS FOR THE YEAR - Exhibit 'H'	$ 80,521	$ 11,465

CITY OF PORT MOODY

LAND RESERVES

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
TAX SALE LANDS RESERVE		
Cash and term deposits	$ 53,878	$ 48,901
Accrued interest receivable	-	84
	53,878	48,985
LAND SALES RESERVE		
Term deposits	2,384,129	1,070,749
Accrued interest receivable	20,674	20,900
Due from North Shore Development Reserve - 286 Agreement	-	517,220
Due from General Fund	25,000	-
	2,429,803	1,608,869
NORTH SHORE DEVELOPMENT RESERVE - 286 AGREEMENT		
Cash and term deposits	527,175	404,365
Accounts receivable		
Provincial government	-	80,646
Accrued interest receivable	8,333	10,973
Due from Water Distribution System Capital Fund	-	526,635
Deferred costs net of recoveries	6,961,202	6,219,860
	7,496,710	7,242,479
NORTH SHORE DEVELOPMENT RESERVE - CITY		
Term deposits	830,649	798,186
Accrued interest receivable	5,328	7,541
Accounts receivable	115,771	76,925
Due from North Shore Development Reserve - 286 Agreement	23,099	-
Deferred costs net of recoveries	834,841	375,050
	1,809,688	1,257,702
NORTH SHORE DEVELOPMENT RESERVE - 215A AGREEMENT		
Term deposits	408,385	357,509
Accrued interest receivable	3,011	392
Deferred costs net of recoveries	537,289	551,552
	948,685	909,453
	$12,738,764	$11,067,488

Treasurer

LIABILITIES

	1985	1984
TAX SALE LANDS RESERVE		
Tax Sale Lands Reserve - Exhibit 'K'	$ 53,878	$ 48,985
LAND SALES RESERVE		
Reserve to complete projects	-	144,258
Land Sales Reserve - Exhibit 'K'	2,429,803	1,464,611
	2,429,803	1,608,869
NORTH SHORE DEVELOPMENT RESERVE - 286 AGREEMENT (note 4)		
Accounts payable	91,918	77,204
Due to Land Sales Reserve	-	517,220
Due to North Shore Development Reserve - City	23,099	-
Due to Provincial Government - interim financing	6,301,372	5,633,170
Reserve for future expenditures	637,864	613,046
Advance on pro-rata cost sharing	442,457	401,839
	7,496,710	7,242,479
NORTH SHORE DEVELOPMENT RESERVE - CITY		
Accounts payable	29,888	-
Reserve for future expenditures	453,242	429,814
Advances on pro rata cost sharing	491,717	452,838
North Shore Development Reserve - City - Exhibit 'K'	834,841	375,050
	1,809,688	1,257,702
NORTH SHORE DEVLEOPMENT RESERVE - 215A AGREEMENT		
Due to Provincial Government - interim financing	417,274	431,538
Reserve for future expenditures	400,566	355,283
Advances on pro rata cost sharing	130,845	122,632
	948,685	909,453
	$12,738,764	$11,067,488

Exhibit 'K'

CITY OF PORT MOODY

LAND RESERVES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
TAX SALE LANDS RESERVE		
Balance at beginning of year	$ 48,985	$ 44,793
Investment income	4,893	4,192
Balance at end of year - Exhibit 'J'	$ 53,878	$ 48,985
LAND SALES RESERVE		
Balance at beginning of year	$1,464,611	$ 670,241
Investment income	152,988	80,405
Lot sales	1,171,369	1,364,154
Return of unused appropriation	-	138,290
Adjust last year accounts payable	-	7,877
Reserve to complete projects	152,086	-
	2,941,054	2,260,967
Contribution to General Capital and Loan Fund - Capital purchases	101,380	294,068
Cost of land sales	523	633
Transfer to North Shore Development Reserve - City	409,348	389,370
Transfer to North Shore Development Reserve - 215A Agreement	-	112,285
Balance at end of year - Exhibit 'J'	$2,429,803	$1,464,611
NORTH SHORE DEVELOPMENT RESERVE - CITY		
Balance at beginning of year	$ 375,050	$ 449,322
Contribution from Land Sales Reserve	409,348	389,370
Contribution from reserve for future expenditures	21,760	183,406
Recovery of deferred costs	28,683	-
	834,841	1,022,098
Cost of land sold	-	647,048
Balance at end of year - Exhibit 'J'	$ 834,841	$ 375,050

CITY OF PORT MOODY

TRUST AND RESERVE FUNDS

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
LOCAL IMPROVEMENT RESERVE		
Cash and term deposits	$485,595	$405,844
Local improvement levies recoverable	280,016	318,106
Accrued interest receivable	-	673
	$765,611	$724,623
EQUIPMENT REPLACEMENT RESERVE		
Cash and term deposits	$491,752	$361,213
Accrued interest receivable	-	589
	$491,752	$361,802
DEPOSIT TRUST RESERVE		
Cash and term deposits	$212,625	$190,995
TRUST RESERVE		
Term deposits	$ 26,086	$ 23,688
Accrued interest receivable	-	25
	$ 26,086	$ 23,713

LIABILITIES AND EQUITY

	1985	1984
LOCAL IMPROVEMENT RESERVE		
Local improvement levies recoverable reserve	$280,016	$318,106
Equity at beginning of year	406,517	865,038
Local improvement levies recovered	38,090	42,156
Investment income	40,988	64,361
	485,595	971,555
Contribution to General Fund Reserve	-	565,038
Equity at end of year	485,595	406,517
	$765,611	$724,623
EQUIPMENT REPLACEMENT RESERVE		
Due to General Revenue Fund	$ 35,232	$ -
Equity at beginning of year	361,802	265,974
Excess of recoveries over expenditures on equipment	144,440	117,072
Investment income	36,912	33,704
	543,154	416,750
Contribution to General Capital and Loan Fund	86,634	54,948
Equity at end of year	456,520	361,802
	$491,752	$361,802
DEPOSIT TRUST RESERVE		
Due to general revenue fund	$ 200	$ -
Deposit trust liability	212,425	190,995
	$212,625	$190,995
TRUST RESERVE		
Equity at beginning of year	$ 23,713	$ 22,040
Investment income	2,373	1,673
Equity at end of year	$ 26,086	$ 23,713

CITY OF PORT MOODY

TRUST AND RESERVE FUNDS

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
DEVELOPMENT COST CHARGES RESERVE		
Term deposits	$ 77,262	$ 23,607
	$ 77,262	$ 23,607
GENERAL RESERVE FUND		
Term deposits	$244,604	$482,450
	$244,604	$482,450

Treasurer

LIABILITIES AND EQUITY

	1985	1984
DEVELOPMENT COST CHARGES RESERVE		
Equity at beginning of year	$ 23,607	$ -
Investment income	2,284	1,955
Transfer from water capital	-	20,345
Transfer of development cost charge fees from general revenue	51,371	21,307
	77,262	43,607
Transfer to water capital	-	20,000
Equity at end of year	$ 77,262	$ 23,607
GENERAL RESERVE FUND		
Equity at beginning of year	$482,450	$ -
Investment income	40,474	32,771
Transfer from local improvement fund	-	565,038
	522,924	597,809
Contribution to general capital fund	193,439	115,359
Contribution to water capital fund	84,881	-
Equity at end of year	$244,604	$482,450

CITY OF PORT MOODY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia Municipalities

It is the City's policy to follow accounting principles generally accepted for British Columbia municipalities and to apply such policies consistently. In line with this policy the resources and operations of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) Inventories

Inventories of materials and supplies are valued at cost, calculated on a weighted average basis, with allowances made for damaged or obsolete goods.

(c) Fixed assets

All land, engineering structures and machinery and equipment are recorded at cost. Buildings are recorded at appraised values as at October 13, 1972 with all subsequent additions at cost. All fixed assets other than the water distribution system are not depreciated. The water distribution system is being depreciated on a straight-line basis over forty years.

(d) Interest expense

Interest expense is recorded on a cash basis. Accordingly, there is no accrued interest expense recorded in the accounts.

2. CONTINGENT LIABILITY

(a) Loan agreements with the Greater Vancouver Sewerage and Drainage District and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes the joint and several liability of the City of Port Moody and the other member municipalities.

Any liability which may arise as a result of the above noted contingency will be accounted for in the period in which the settlement is made.

(b) During the year, a claim was made against the City by a company relating to an alleged breach of contract. At the audit report date the outcome of the claim was not determinable. Settlement, if any, resulting from the resolution of the contingency will be accounted for as a charge to income of the period in which the settlement occurs.

CITY OF PORT MOODY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

3. DEBENTURE DEBT

In accordance with a direc[illegible] the Ministry of Municipal Affairs, general fund debentures [illegible]t of $783,619 and sewer fund debentures in the amount of $215,26[illegible]d in the United States by the Municipal Finance Authority have b[illegible] recorded in the accounts in U.S. dollars. At December 31, 1985 the rate of exchange to purchase United States currency was $1.3983 Canadian.

Principal payments due within each of the next five years on debenture debt are approximately as follows:

1986	$195,365
1987	203,695
1988	212,712
1989	222,475
1990	220,289

4. NORTH SHORE DEVELOPMENT RESERVE - 286 AGREEMENT

The City of Port Moody and the Provincial Government have an agreement under Section 286 of the Municipal Act wherein the Province has advanced funds to the City for construction of trunk services within lands specified in the 286 Agreement. The lands are in an area generally known as the 'North Shore'. At December 31, 1985 the City indebtedness under the 286 Agreement excluding accrued interest was $5,538,754. Funds to pay this indebtedness are raised by a special levy imposed on benefiting lands within the specified area. The special levy is payable when zoning takes place. Ongoing negotiations commenced in 1984 with the Province to pay off the indebtedness.

5. COMPARATIVE FIGURES

Certain 1984 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1985.

Schedule 1

CITY OF PORT MOODY

OTHER REVENUE FROM OWN SOURCES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
LICENCES AND PERMITS		
Business licences	$ 84,274	$ 83,006
Building permits	98,189	37,805
Vehicle licences	5,674	4,118
Other	114,379	192,131
	302,516	317,060
FINES	15	35
RENTALS		
Buildings and land	90,659	101,314
RETURN ON INVESTMENTS	295,976	283,099
PENALTIES AND INTEREST ON TAXES	120,637	147,255
MISCELLANEOUS	92,838	114,650
	509,451	545,004
OTHER REVENUE FROM OWN SOURCES - Exhibit 'B'	$902,641	$963,413

Schedule 2

CITY OF PORT MOODY

TRANSFERS FROM OTHER GOVERNMENTS AND OWN RESERVES

AND COLLECTIONS FOR OTHER GOVERNMENTS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
CONDITIONAL TRANSFERS FROM PROVINCIAL GOVERNMENT		
Civil defence	$ 1,850	$ 1,850
Street light maintenance	5,396	6,376
Library	22,702	1,408
Highways maintenance and other	8,677	6,244
Ministry of Municipal Affairs	500	55,768
	39,125	71,646
FEDERAL GOVERNMENT AGENCIES		
N.E.E.D. Program	-	3,812
UNCONDITIONAL TRANSFERS FROM PROVINCIAL GOVERNMENT		
Resource grants	595,244	580,772
TRANSFERS FROM OTHER GOVERNMENTS - Exhibit 'B'	$ 634,369	$656,230
Recovery from North Shore Development Reserve - City	$ 75,000	$ 25,000
Recovery from Sanitary Sewer System and Water Distribution	228,000	228,000
Recovery from North Shore Development Reserve - 286A	25,000	75,000
Appropriation from surplus	222,696	218,677
Future expenditures reserve	399,284	446,574
Recovery from Sanitation Reserve	10,000	60,171
TRANSFERS FROM OWN RESERVES - Exhibit 'B'	$ 959,980	$1,053,422
Coquitlam School District #43	$2,195,762	$2,146,496
Provincial School Tax	2,878,197	4,011,674
Greater Vancouver Regional Hospital District	322,437	350,127
Greater Vancouver Regional District	93,214	83,701
Urban Transit Authority	85,213	80,160
Municipal Finance Authority	2,011	2,152
British Columbia Assessment Authority	142,757	152,823
COLLECTIONS FOR OTHER GOVERNMENTS - Exhibit 'B'	$5,719,591	$6,827,133

Schedule 3

CITY OF PORT MOODY

GENERAL GOVERNMENT SERVICES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
LEGISLATIVE		
Council indemnities	$ 91,277	$ 87,844
Conventions, dues and activities	8,024	7,673
	99,301	95,517
GENERAL ADMINISTRATIVE		
Salaries	657,404	648,589
Telephone	13,194	15,156
Legal, audit and professional services	105,727	99,402
Printing and stationery	24,952	32,372
Postage	12,179	13,198
Advertising	16,677	13,594
Office equipment maintenance	14,646	18,173
Automobile allowances	3,167	3,936
Conventions, dues and activities	9,566	9,199
Other administrative - miscellaneous	17,522	7,464
Computer programming	9,991	9,620
Land acquired from tax sale reserve	17,942	-
	902,967	870,703
OTHER GENERAL GOVERNMENT		
Elections and referendums	5,156	9,425
Insurance	23,955	15,832
Grants and donations	49,393	36,284
Public receptions	7,473	2,104
Committees	6,064	2,840
	92,041	66,485
Maintenance of municipal hall		
Alterations	6,065	14,248
Heat	3,548	3,055
Janitor	5,822	6,303
Light	5,452	5,183
Supplies and repairs	7,194	1,532
	28,081	30,321
GENERAL GOVERNMENT SERVICES EXPENDITURE - Exhibit 'B'	$1,122,390	$1,063,026

Schedule 4

CITY OF PORT MOODY

PROTECTIVE SERVICES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
POLICE PROTECTION		
Salaries	$1,274,078	$1,233,559
Dispatchers	112,378	131,553
Civilian patrol	2,090	2,612
Automobile and boat expense	66,345	51,480
Telephone and radio	20,514	17,834
Stationery and supplies	13,064	12,824
Conventions, dues and activities	804	853
Uniforms	11,270	7,047
Keep of prisoners	1,632	3,482
Training	3,640	1,819
Identification section	3,731	4,341
Crime prevention unit	861	1,696
Other	6,083	5,885
Building insurance and maintenance	24,807	24,736
	1,541,297	1,499,721
FIRE PROTECTION		
Salaries and attendants	1,050,851	1,027,636
Dispatchers	39,017	45,854
Supplies	6,970	6,847
Conventions, dues and activities	1,354	718
Vehicle operating costs	32,633	17,924
Telephone and radio	4,552	3,995
Provision for equipment replacement	8,250	8,250
Uniforms	14,976	8,886
Other	6,807	4,052
Building insurance and maintenance	25,009	17,100
	1,190,419	1,141,262
PROTECTIVE INSPECTION		
Salaries	76,616	70,747
Automobile allowance	4,443	4,142
Printing and stationery	1,693	2,671
Bylaw enforcement	25,554	23,869
S.P.C.A. - animal control	30,088	26,020
Pest control	5,753	5,869
Inspection consultants	1,448	20
Conventions, dues and activities	682	446
	146,277	133,784
EMERGENCY MEASURES		
Stationery and supplies	4,561	9,423
PROTECTIVE SERVICES EXPENDITURE - Exhibit 'B'	$2,882,554	$2,784,190

Schedule 5

CITY OF PORT MOODY

TRANSPORTATION SERVICES - PUBLIC WORKS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
COMMON SERVICES		
Salaries	$ 318,152	$317,851
Engineering and drafting supplies	-	3,546
Automobile allowances	13,781	10,853
Supplies and small tools	9,375	4,083
Conventions, dues and activities	2,599	1,944
Maintenance to buildings	27,755	23,367
Training program	-	1,885
Building insurance	512	496
Mechanical shop	17,349	28,718
Subdivision plan checking	6,025	21,539
Couplet study	-	42
Mapping	2,866	6,687
	398,414	421,011
ROAD TRANSPORTATION SERVICES		
Asphalt patching	98,350	93,892
Brushing and ditching	46,588	40,116
Culvert repairs and replacement	382	3,419
Miscellaneous drainage and flood control	28,781	34,085
Grading roads and lanes	18,703	23,867
Sidewalk maintenance	17,438	13,034
Snow removal and sanding	65,425	24,318
Storm sewer maintenance	88,126	80,108
Private crossings	630	1,429
Street cleaning	42,250	29,387
Boulevard maintenance	60,283	48,960
Other	3,070	7,470
	470,026	400,085
STREET LIGHTING AND TRAFFIC SERVICES		
Street light - maintenance	23,205	23,606
Street light - hydro	87,685	82,563
Street signs	22,574	23,925
Traffic lane marking and signals	10,125	10,566
Secondary highway maintenance	25,955	19,711
	169,544	160,371
TRANSPORTATION SERVICES - PUBLIC WORKS EXPENDITURE - Exhibit 'B'	$1,037,984	$981,467

Schedule 6

CITY OF PORT MOODY

ENVIRONMENTAL HEALTH SERVICES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Garbage collection	$238,915	$218,354
Dump maintenance	4,295	3,499
Garbage container maintenance	3,420	3,013
Greater Vancouver Regional District	122,662	115,455
Administration charges	10,000	10,000
Contribution to truck reserve	-	85,783
Air pollution control	-	694
Transfer to sanitation reserve	19,942	-
ENVIRONMENTAL HEALTH SERVICES EXPENDITURE - Exhibit 'B'	$399,234	$436,798

Schedule 7

CITY OF PORT MOODY

RECREATION AND CULTURAL SERVICES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
RECREATION ADMINISTRATIVE		
Salaries	$ 319,857	$ 274,546
Supplies	5,613	4,595
Insurance and maintenance	5,847	5,567
Advertising	20,179	14,969
Automobile allowances	11,867	10,634
Contribution to Equipment Replacement Reserve	32,691	30,720
Conventions, dues and activities	1,063	762
Miscellaneous	645	228
	397,762	342,021
RECREATION HALLS AND FACILITIES		
Ice arena	256,533	213,668
Curling rink	178,666	148,093
Cultural Centre	78,335	75,545
Kyle Street Centre	59,712	58,069
Old Orchard Hall	16,343	13,486
Rocky Point Pavillion	7,209	6,964
Westhill Centre	7,484	4,979
Glencoe Centre	7,029	8,821
Swimming pools	117,488	126,765
Parks and playgrounds	187,927	180,508
	916,726	836,898
PROGRAMES		
Summer playground program	9,987	11,201
Program instructors' salaries	82,526	97,525
Program supplies	15,178	13,258
Miscellaneous	2,201	2,513
	109,892	124,497
LIBRARY		
G.V.L.F. services	18,072	-
Salaries	210,040	202,325
Rental - technical services	8,580	8,580
Book purchases	40,986	40,974
Supplies and miscellaneous	11,374	11,142
Insurance	668	611
Building, heating and maintenance	22,122	18,841
	311,842	282,473
RECREATION AND CULTURAL SERVICES EXPENDITURE - Exhibit 'B'	$1,736,222	$1,585,889

Schedule 8

CITY OF PORT MOODY

FISCAL SERVICES

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Interest on temporary borrowings	$ 80,142	$ 176,623
Interest on prepaid taxes	1,523	1,666
Interest on debentures	334,002	272,653
Interest on short term capital borrowings	14,157	23,012
Principal instalments	150,194	208,173
DEBT CHARGES EXPENDITURE - Exhibit 'B'	$ 580,018	$ 682,127
RESERVE ACCOUNTS		
Local improvements reserve	$ 38,090	$ 42,156
Reserve for future expenditures	166,648	531,054
Reserve for development cost charges	51,371	-
Reserve for snow plowing	25,000	-
General Capital and Loan Fund - capital expenditures - Schedule 11	347,790	503,463
	628,899	1,076,673
OWN UTILITIES		
Sanitary Sewer System Revenue Fund - frontage tax	-	228,566
Water Distribution System Revenue Fund - frontage tax	-	92,834
Water Distribution System Capital Fund	-	115,359
	-	436,759
TRANSFERS TO OWN RESERVE ACCOUNTS AND UTILITIES - Exhibit 'B'	$ 628,899	$1,513,432
Coquitlam School District #43	$2,195,762	$2,146,496
Provincial School Tax	2,878,197	4,011,674
Greater Vancouver Regional Hospital District	322,437	350,127
Greater Vancouver Regional District	93,214	83,701
Urban Transit Authority	85,213	80,160
Municipal Finance Authority	2,011	2,152
British Columbia Assessment Authority	142,757	152,823
TRANSMISSION OF TAXES FOR OTHER GOVERNMENTS - Exhibit 'B'	$5,719,591	$6,827,133

Schedule 9

CITY OF PORT MOODY

GENERAL FIXED ASSETS

AS AT DECEMBER 31, 1985

	Land	Buildings	Engineered Structures	Machinery and Equipment	Total
BALANCE AT BEGINNING OF YEAR	$2,539,725	$5,283,315	$6,851,847	$2,575,478	$17,250,365
Additions					
General government	18,971	15,129	-	21,662	55,762
Protective services	1,151	965,568	-	86,242	1,052,961
Transportation services	-	-	248,434	28,419	276,853
Recreation and cultural services	-	1,181	61,405	25,245	87,831
	20,122	981,878	309,839	161,568	1,473,407
Disposals					
Protective services	-	-	-	9,123	9,123
Transportation services	-	-	-	15,165	15,165
	-		-	24,288	24,288
BALANCE AT END OF YEAR - Exhibit 'C'	$2,559,847	$6,265,193	$7,161,686	$2,712,758	$18,699,484

Schedule 10

CITY OF PORT MOODY

STATEMENT OF DEBENTURE DEBT

AS AT DECEMBER 31, 1985

By-law Number	Purpose	Maturity Date	Interest Rate	Authorized	Outstanding 1985	Outstanding 1984
GENERAL CAPITAL AND LOAN FUND						
975/1067/ 1149	Parklands	1995	9.75/10.75	$ 250,000	$ 156,609	$ 168,243
1114/1170	Public safety facilities	1995	9.75/9.85	415,000	259,971	279,284
1115/1170	Recreation facilities	1996	9.75/9.85	1,500,000	1,004,637	1,071,098
1119	Sports centre	1992	6.405	700,000	346,959	385,327
1738	Police Building	2000	12.25	950,000	950,000	-
				3,815,000		
GENERAL FUND DEBENTURE DEBT - Exhibit 'C'					2,718,176	1,903,952
SANITARY SEWER SYSTEM CAPITAL FUND						
991	Sewer extension	1989	8.00	450,000	335,000	335,000
1072	Sewer extension	1989	6.875	135,230	43,221	52,320
1191	Sewer extension	2001	9.00	254,368	215,264	221,248
				839,598		
SEWER FUND DEBENTURE DEBT - Exhibit 'D'					593,485	608,568
WATER DISTRIBUTION SYSTEM CAPITAL FUND						
1242	Waterworks improvements	1998	9.375-10	700,000		
WATER FUND DEBENTURE DEBT - Exhibit 'G'					580,587	600,241
					$3,892,248	$3,112,761

Schedule 11

CITY OF PORT MOODY

CONTRIBUTIONS TO GENERAL CAPITAL AND LOAN FUND

YEAR ENDED DECEMBER 31, 1985

	1985	1984
SOURCE OF FUNDS		
General revenue	$ 347,790	$503,463
Ministry of Municipal Affairs	-	71,482
Equipment replacement reserve	86,634	54,948
Land sale reserve	101,380	294,068
General reserve fund	193,439	-
Developers contribution	4,458	-
	$ 733,701	$923,961
EXPENDITURES		
GENERAL GOVERNMENT		
Equipment	$ 21,662	$ 12,508
Building	15,129	29,844
Land	18,971	215,789
	55,762	258,141
PROTECTIVE SERVICES		
Landscaping and building	227,013	25,821
Police equipment	58,452	48,758
Fire equipment	27,790	15,787
	313,255	90,366
TRANSPORTATION SERVICES		
Street construction and paving	236,908	341,854
Storm sewers	11,526	72,010
Sidewalks, curbs and gutters	-	29,991
Public works equipment, buildings and engineering structures	28,419	43,618
	276,853	487,473
RECREATION AND CULTURAL SERVICES		
Recreation equipment	21,011	36,037
Recreation buildings and structures	250	28,956
Park development	61,405	18,859
	82,666	83,852
LIBRARY		
Equipment	4,235	-
Building	930	4,129
	5,165	4,129
CONTRIBUTION TO GENERAL CAPITAL AND LOAN FUND - Exhibit 'C'	$ 733,701	$923,961